

106TH CONGRESS
1ST SESSION

H. R. 500

To increase the rates of military basic pay and to revise the formula for the computation of retired pay for members of the Armed Forces who first entered military service on or after August 1, 1986.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1999

Mr. MURTHA introduced the following bill; which was referred to the
Committee on Armed Services

A BILL

To increase the rates of military basic pay and to revise the formula for the computation of retired pay for members of the Armed Forces who first entered military service on or after August 1, 1986.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Military Pay and Re-
5 tirement Reform Act of 1999”.

1 **SEC. 2. FISCAL YEAR 2000 INCREASE IN MILITARY BASIC**
2 **PAY AND REFORM OF BASIC PAY RATES.**

3 (a) **WAIVER OF SECTION 1009 ADJUSTMENT.**—The
4 adjustment to become effective during fiscal year 2000 re-
5 quired by section 1009 of title 37, United States Code,
6 in the rates of monthly basic pay authorized members of
7 the uniformed services shall not be made.

8 (b) **JANUARY 1, 2000, INCREASE IN BASIC PAY.**—
9 Effective on January 1, 2000, the rates of monthly basic
10 pay for members of the uniformed services shall be in-
11 creased by 4.4 percent.

12 (c) **REFORM OF BASIC PAY RATES.**—Effective on
13 July 1, 2000, the rates of monthly basic pay for members
14 of the uniformed services within each pay grade are as
15 follows:

COMMISSIONED OFFICERS ¹

Years of service computed under section 205 of title 37, United States Code

| Pay Grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 |
|-------------------|-----------|-------------|-------------|-------------|-------------|
| O-10 ² | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| O-9 ... | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| O-8 ... | 6,569.10 | 6,784.50 | 6,926.40 | 6,966.60 | 7,148.40 |
| O-7 ... | 5,458.50 | 5,829.60 | 5,829.60 | 5,871.90 | 6,091.20 |
| O-6 ... | 4,045.50 | 4,444.50 | 4,736.10 | 4,736.10 | 4,754.40 |
| O-5 ... | 3,236.10 | 3,799.50 | 4,062.30 | 4,112.10 | 4,276.20 |
| O-4 ... | 2,727.30 | 3,321.30 | 3,542.70 | 3,592.20 | 3,798.60 |
| O-3 ³ | 2,534.40 | 2,873.40 | 3,100.80 | 3,351.90 | 3,512.40 |
| O-2 ³ | 2,210.40 | 2,517.90 | 2,899.80 | 2,997.60 | 3,059.40 |
| O-1 ³ | 1,919.10 | 1,997.40 | 2,413.80 | 2,413.80 | 2,413.80 |
| | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
| O-10 ² | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| O-9 ... | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| O-8 ... | 7,443.00 | 7,512.30 | 7,794.60 | 7,876.20 | 8,119.20 |
| O-7 ... | 6,258.30 | 6,451.20 | 6,643.80 | 6,837.00 | 7,443.00 |
| O-6 ... | 4,958.40 | 4,985.70 | 4,985.70 | 5,152.50 | 5,769.00 |
| O-5 ... | 4,276.20 | 4,404.90 | 4,642.50 | 4,953.60 | 5,268.30 |
| O-4 ... | 3,966.00 | 4,236.90 | 4,447.20 | 4,593.60 | 4,740.90 |
| O-3 ³ | 3,688.50 | 3,835.50 | 4,024.80 | 4,123.20 | 4,123.20 |
| O-2 ³ | 3,059.40 | 3,059.40 | 3,059.40 | 3,059.40 | 3,059.40 |
| O-1 ³ | 2,413.80 | 2,413.80 | 2,413.80 | 2,413.80 | 2,413.80 |
| | Over 18 | Over 20 | Over 22 | Over 24 | Over 26 |
| O-10 ² | \$0.00 | \$10,614.30 | \$10,666.80 | \$10,888.80 | \$11,275.20 |
| O-9 ... | 0.00 | 9,283.80 | 9,417.60 | 9,611.10 | 9,948.30 |
| O-8 ... | 8,471.40 | 8,796.60 | 9,013.50 | 9,013.50 | 9,013.50 |
| O-7 ... | 7,955.10 | 7,955.10 | 7,955.10 | 7,955.10 | 7,995.10 |
| O-6 ... | 6,063.00 | 6,357.00 | 6,524.10 | 6,695.70 | 7,024.20 |
| O-5 ... | 5,415.30 | 5,562.30 | 5,731.80 | 5,731.80 | 5,731.80 |
| O-4 ... | 4,791.60 | 4,791.60 | 4,791.60 | 4,791.60 | 4,791.60 |
| O-3 ³ | 4,123.20 | 4,123.20 | 4,123.20 | 4,123.20 | 4,123.20 |
| O-2 ³ | 3,059.40 | 3,059.40 | 3,059.40 | 3,059.40 | 3,059.40 |
| O-1 ³ | 2,413.80 | 2,413.80 | 2,413.80 | 2,413.80 | 2,413.80 |

¹Notwithstanding the pay rates specified in this table, basic pay for commissioned officers may not exceed the rate of basic pay for level V of the Executive Schedule.

²While serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, basic pay for this grade is calculated to be \$12,441.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code. However, actual basic pay for these officers may not exceed the rate of basic pay for level V of the Executive Schedule.

³This table does not apply to commissioned officers in the grade O-1, O-2, or O-3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE
AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

| Pay Grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 |
|-----------|------------|------------|------------|------------|------------|
| O-3E | \$0.00 | \$0.00 | \$0.00 | \$3,351.90 | \$3,512.40 |
| O-2E | 0.00 | 0.00 | 0.00 | 2,997.60 | 3,059.40 |
| O-1E | 0.00 | 0.00 | 0.00 | 2,413.80 | 2,578.50 |
| | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
| O-3E | \$3,688.50 | \$3,835.50 | \$4,024.80 | \$4,184.40 | \$4,275.60 |
| O-2E | 3,156.30 | 3,321.30 | 3,448.20 | 3,542.70 | 3,542.70 |
| O-1E | 2,673.60 | 2,770.50 | 2,866.80 | 2,997.60 | 2,997.60 |
| | Over 18 | Over 20 | Over 22 | Over 24 | Over 26 |
| O-3E | \$4,402.50 | \$4,402.50 | \$4,402.50 | \$4,402.50 | \$4,402.50 |
| O-2E | 3,542.70 | 3,542.70 | 3,542.70 | 3,542.70 | 3,542.70 |
| O-1E | 2,997.60 | 2,997.60 | 2,997.60 | 2,997.60 | 2,997.60 |

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

| Pay Grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 |
|-----------|-----------|------------|------------|------------|------------|
| W-5 .. | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| W-4 .. | 2,582.10 | 2,777.70 | 2,857.80 | 2,937.60 | 3,071.70 |
| W-3 .. | 2,346.90 | 2,545.80 | 2,545.80 | 2,578.50 | 2,684.10 |
| W-2 .. | 2,055.60 | 2,223.90 | 2,223.90 | 2,297.10 | 2,413.80 |
| W-1 .. | 1,712.70 | 1,963.50 | 1,963.50 | 2,127.60 | 2,223.90 |
| | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
| W-5 .. | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| W-4 .. | 3,204.90 | 3,337.50 | 3,471.90 | 3,608.40 | 3,739.20 |
| W-3 .. | 2,804.40 | 2,962.80 | 3,059.40 | 3,164.70 | 3,285.60 |
| W-2 .. | 2,545.80 | 2,642.40 | 2,739.30 | 2,833.50 | 2,937.90 |
| W-1 .. | 2,323.80 | 2,424.00 | 2,523.60 | 2,624.10 | 2,724.30 |
| | Over 18 | Over 20 | Over 22 | Over 24 | Over 26 |
| W-5 .. | \$0.00 | \$4,458.00 | \$4,611.00 | \$4,764.90 | \$4,918.50 |
| W-4 .. | 3,873.30 | 4,006.20 | 4,139.70 | 4,273.50 | 4,410.30 |
| W-3 .. | 3,405.60 | 3,525.60 | 3,645.60 | 3,765.90 | 3,886.20 |
| W-2 .. | 3,044.70 | 3,151.80 | 3,258.60 | 3,365.70 | 3,465.70 |
| W-1 .. | 2,824.20 | 2,899.80 | 2,899.80 | 2,899.80 | 2,899.80 |

ENLISTED MEMBERS

Years of service computed under section 205 of title 37, United States Code

| Pay Grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 |
|------------------|-----------------------|------------|------------|------------|------------|
| E-9 ¹ | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| E-8 ... | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| E-7 ... | 1,758.90 | 1,920.60 | 1,993.20 | 2,066.10 | 2,139.60 |
| E-6 ... | 1,513.20 | 1,671.90 | 1,746.00 | 1,817.40 | 1,892.70 |
| E-5 ... | 1,327.80 | 1,488.30 | 1,560.90 | 1,634.70 | 1,708.50 |
| E-4 ... | 1,238.10 | 1,368.00 | 1,441.80 | 1,514.40 | 1,587.90 |
| E-3 ... | 1,167.00 | 1,255.80 | 1,329.00 | 1,330.80 | 1,330.80 |
| E-2 ... | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 |
| E-1 ... | ² 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 |
| | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
| E-9 ¹ | \$0.00 | \$3,003.90 | \$3,071.70 | \$3,157.80 | \$3,259.20 |
| E-8 ... | 2,518.80 | 2,591.70 | 2,659.50 | 2,741.10 | 2,829.30 |
| E-7 ... | 2,212.50 | 2,285.40 | 2,359.50 | 2,430.90 | 2,504.40 |
| E-6 ... | 1,966.50 | 2,040.30 | 2,111.40 | 2,184.00 | 2,235.90 |
| E-5 ... | 1,783.50 | 1,855.20 | 1,928.70 | 1,929.00 | 1,929.00 |
| E-4 ... | 1,587.90 | 1,587.90 | 1,587.90 | 1,587.90 | 1,587.90 |
| E-3 ... | 1,330.80 | 1,330.80 | 1,330.80 | 1,330.80 | 1,330.80 |
| E-2 ... | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 |
| E-1 ... | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 |
| | Over 18 | Over 20 | Over 22 | Over 24 | Over 26 |
| E-9 ¹ | \$3,360.30 | \$3,460.20 | \$3,595.50 | \$3,729.60 | \$3,900.90 |
| E-8 ... | 2,921.40 | 3,014.40 | 3,149.10 | 3,282.90 | 3,471.90 |
| E-7 ... | 2,577.30 | 2,650.50 | 2,776.80 | 2,915.10 | 3,122.40 |
| E-6 ... | 2,274.60 | 2,274.60 | 2,274.60 | 2,274.60 | 2,274.60 |
| E-5 ... | 1,929.00 | 1,929.00 | 1,929.00 | 1,929.00 | 1,929.00 |
| E-4 ... | 1,587.90 | 1,587.90 | 1,587.90 | 1,587.90 | 1,587.90 |
| E-3 ... | 1,330.80 | 1,330.80 | 1,330.80 | 1,330.80 | 1,330.80 |
| E-2 ... | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 |
| E-1 ... | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 |

¹ While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is \$4,701.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

² In the case of members in the grade E-1 who have served less than 4 months on active duty, basic pay is \$926.70.

1 SEC. 3. RETIRED PAY COMPUTATION FORMULA FOR MEM-
2 BERS OF THE ARMED FORCES WHO ENTERED
3 MILITARY SERVICE ON OR AFTER AUGUST 1,
4 1986.

5 (a) REPEAL OF “REDUX” RETIRED PAY REDUCTION
6 APPLICABLE TO POST-AUGUST 1, 1986, MEMBERS WITH
7 LESS THAN 30 YEARS OF SERVICE.—Section 1409(b) of
8 title 10, United States Code, is amended—

1 (1) by striking paragraph (2);

2 (2) by redesignating paragraph (3) as para-
3 graph (2); and

4 (3) in paragraph (1), by striking “paragraphs
5 (2) and (3)” and inserting “paragraph (2)”.

6 (b) MODIFICATION OF COST-OF-LIVING ADJUST-
7 MENT APPLICABLE TO POST-AUGUST 1, 1986, MEM-
8 BERS.—Paragraph (3) of section 1401a of such title is
9 amended to read as follows:

10 “(3) POST-AUGUST 1, 1986 MEMBERS.—

11 “(A) If the percent determined under para-
12 graph (2) is equal than or greater than 3 per-
13 cent, the Secretary shall increase the retired
14 pay of each member and former member who
15 first became a member on or after August 1,
16 1986, by the difference between—

17 “(i) the percent determined under
18 paragraph (2); and

19 “(ii) 1 percent.

20 “(B) If the percent determined under
21 paragraph (2) is less than 3 percent, the Sec-
22 retary shall increase the retired pay of each
23 member and former member who first became
24 a member on or after August 1, 1986, by the
25 lesser of—

1 “(i) the percent determined under
2 paragraph (2); and

3 “(ii) 2 percent.”.

4 (c) CONFORMING AMENDMENTS.—

5 (1) Section 1410 of such title is amended—

6 (A) by striking “on that date” and all that
7 follows through “increases in the retired pay”
8 and inserting “on that date if increases in the
9 retired pay”;

10 (B) by striking “section); and” and insert-
11 ing “section).”;

12 (C) by striking paragraph (2); and

13 (D) by amending the section heading to
14 read as follows:

15 **“§ 1410. Restoral of cost-of-living adjustment amount**
16 **at age 62 for members entering on or**
17 **after August 1, 1986”.**

18 (2) The table of sections at the beginning of
19 chapter 71 of such title is amended to read as fol-
20 lows:

“1410. Restoral of cost-of-living adjustment amount at age 62 for members en-
tering on or after August 1, 1986.”.

21 (3) Chapter 73 of such title is amended as fol-
22 lows:

1 (A) Section 1447(6)(A) is amended by
2 striking “(determined without regard to any re-
3 duction under section 1409(b)(2) of this title)”.

4 (B) Section 1451(h) is amended by strik-
5 ing paragraph (3).

6 (C) Section 1452(c) is amended by striking
7 paragraph (4).

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall take effect on October 1, 1999.

○